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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC #02237-84
25 April 1984

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: Chairman, National Intelligence Council *8*

FROM: National Intelligence Officer for Narcotics

SUBJECT: Status Report on Narcotics

1. A recent issue of an academic journal carried an article entitled "US-Japanese Relations: Good Terrible." The Intelligence Community's performance on narcotics is also good terrible. It is good in that collection is up, analysis is up, and for most agencies money and manpower are also up; it is terrible in that cocaine and other narcotics continue to pour into the United States.

New Developments Since the Last Status Report

Within the Intelligence Community

2. There has been a dramatic increase in analytical output.

--For example, INR produced 7 analytical studies in FY83 against none the previous year. DIA produced 2 studies in 1983 against none the previous year. DEA expects to produce almost 300 reports in 1984 against the 190 written in FY83. (Tab A)

--There was a very rapid increase at CIA, where NID articles increased from 30 in FY82 to 46 in FY83, journal articles from 24 to 34, intelligence assessments from 14 to 25, and typescripts from 8 to 13. (Tab B)

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3. Information is also flowing between the Intelligence and Law Enforcement Communities at an unprecedented rate. Counting information reports only (meaning unevaluated intelligence) DIA, DEA, NSA and DDO exchanged around 1347 reports among them in FY82. The number had reached 2620 by FY83, and if the trend in evidence through February 1984 holds, the number exchanged in FY84 could reach 3490.

-- Perhaps most importantly, Customs and Coast Guard, which up to now have not been producers of information reports, are scheduled to start up their own systems in the second quarter of 1984.

--Customs has patterned its system after the DDO, while Coast Guard has used a DoD model.

--Both agencies have hired personnel, written instructions for their field units on reporting procedures and can be expected to make major contributions before many more months have passed.

4. The NIE program, which produced two Estimates in 1983, continues to grow. The following papers are in draft or already approved for drafting:

--a study of international financial flows and what they mean for narcotics intelligence;

--a look at the international cocaine market;

--involvement of the Bahamian Government in drug corruption;

--and Cuba's role as a safehaven for traffickers.

5. Studies that would provide worldwide crop estimates for opium and cocaine are also under consideration. Finally, analysis has been published of a system dynamics model of US heroin imports, and consideration has been given to using the same methodology for cocaine and other drugs. (Tab C)

Within CIA

6. There has been a marked expansion in Project and for the first time, as noted, the project may provide enough data for worldwide estimates in 1984.

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--OIA has become a major player in providing operational support to interdiction efforts and excellent analytical work on Golden Triangle heroin refineries and processing and trafficking facilities throughout the Caribbean and northern Latin America.

--Financial flows intelligence has received increased attention at CIA: a conference of station officers was held on this subject in Miami, and OGI is considering establishing a financial flows task force to pool the talents of economists, political scientists and others.

Increases in Money and Manpower

Within the Intelligence Community

7. The number of analytical slots devoted to narcotics has grown rapidly from 28 positions in FY82 to 49 positions in FY83 to a projected 82 positions in FY84. (Tab D)

8. The Intelligence Community budget has also increased from \$9.6 million in FY83 to \$21.9 million in FY84 to \$22.3 million in FY85. (Tab J)

--The results reflect these increases in slots and budget.

--For the entire Intelligence Community, collection has climbed as noted in paragraph 3 above from 1347 in FY82 to 2620 in FY83 to a rate of 3490 in FY84 based on January and February results. (Tab E).

Within CIA

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--The results are also encouraging as evidenced by rapidly growing DDO collection, from 235 information reports in FY81 to 347 in FY82 to 604 in FY83. (Tab H)

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10. This higher production in the DDO is in part a consequence of an increase in the number of stations carrying narcotics as priority I, priority II or priority III in their ODs,

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Special Case of NNBIS

11. NNBIS has become a major user of Intelligence Community collection and analysis. Although the Community's increase in output has been helpful to NNBIS, that organization has special needs for training support--given in 1983 and early 1984 by CIA--and for help in organizing intelligence functions throughout the NNBIS system.

--To that end, CIA may assign an officer to NNBIS Headquarters during 1984 to help coordinate intelligence analysis.

--Beyond this, NNBIS continues to exert pressure for more tactical reporting that can be used in interdiction operations by its regional centers. NSA feels most of this pressure, though CIA, mainly a strategic collector, feels some.

The Drug Czar Issue

12. This issue has emerged in the form of the Biden bill. It has passed the Senate and is before House committees. Various members of the Intelligence Community, including CIA, are examining the language and may suggest changes.

Agenda for the Next Year Within the Intelligence Community

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-- Customs and Coast Guard are ready to start issuing information reports, but they will need support, encouragement and some guidance.

-- The NIO office is expanding, effective in early May, with the addition of a full-time assistant NIO for Narcotics.

-- DIA and the services have committed over the last two years to become more involved in narcotics, and they are starting to do so. This effort needs encouragement.

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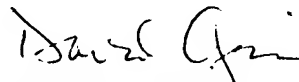
--Imagery is beginning to have a major impact on narcotics analysis, and this trend should be vigorously supported.



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--Coordination within the Intelligence Community on narcotics is good, but coordination between the Intelligence and Law Enforcement Communities sometimes breaks down. Some of this is inevitable, given the differing requirements of the two communities. Such coordination cannot be legislated nor ordered; it must grow steadily, with encouragement at every step along the way.

11. Attached as Tab K are National Institute of Drug Abuse charts documenting a decline in US marijuana use and a possible decline (though many of us are skeptical of these numbers) in cocaine use.


David D. Gries

Attachments:
As stated

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